

STIPULATION

- 1. Slender Lady and Bruce Sharpe will withdraw their request for a hearing and waive all rights to any further hearings regarding the administrative orders issued by the Department of Corporations (the Department) against Slender Lady, Inc., and Bruce Sharpe on April 12, 2005.**
- 2. Slender Lady and Bruce Sharpe and the Department of Corporations enter into this Stipulation to resolve the dispute relating to the administrative orders issued by the Department, and agree not to sell unregistered franchises and not to make fraudulent misrepresentations during the offer and/or sale of franchises in California.**
- 3. Slender Lady and Bruce Sharpe will stipulate to the Statement in Support of Order Denying Effectiveness of Franchise Registration Application and Revoking Current Registration without admitting or denying the contents therein.**
- 4. For purposes of 1) the review of any future application for California registration by Slender Lady, Inc., or 2) any future action taken by the Department of Corporations against Slender Lady, Inc. Slender Lady, Inc. waives its right to dispute the allegations contained in the Desist and Refrain Order and the Statement in Support of Order Denying Effectiveness of Franchise Registration Application and Revoking Current Registration.**
- 5. For purposes of 1) the review of any future application for California registration by Bruce Sharpe or a company owned by Bruce Sharpe or 2) any future action taken by the Department of Corporations against Bruce Sharpe or any company owned by Bruce Sharpe, Bruce Sharpe waives his right to dispute the allegations contained in the Desist and Refrain Order and the Statement in Support of Order Denying Effectiveness of Franchise Registration Application and Revoking Current Registration.**
- 6. The Department of Corporations will not take further action against Slender Lady, Inc. or Bruce Sharpe based on complaints formal or informal received prior to the date of this Stipulation.**
- 7. This Stipulation only relates to administrative actions taken or that could be taken by the Department of Corporations under the Franchise Investment Law.**
- 8. Nothing in this Stipulation precludes the Department from cooperating in any investigation or prosecution of Slender Lady, Inc. or Bruce Sharpe by another agency.**

WAYNE K. STRUMPFER
Acting California Corporations Commissioner

By _____
MARY ANN CLARK
Corporations Counsel

8/17/05
Date

SLENDER LADY, INC.

By _____
Bruce Sharpe, President

8/17/05
Date

BRUCE SHARPE, individually

By _____
Bruce Sharpe

8/17/05
Date